



The Sunlands Company Memorandum of Understanding – Offtake & Technical Collaboration

Quantum Graphite Limited (**QGL, the Company**) is pleased to announce that it has entered into a Memorandum of Understanding (**MOU**) with The Sunlands Company Pty Ltd (**TSC**) in connection with the commercialisation of TSC's thermal battery technologies.

The MOU provides a framework within which the parties will collaborate in three key areas:

- (a) **Technical** - the processing path necessary to deliver natural flake graphite, firstly with the minimum specifications required by TSC and secondly the downstream advanced processing and manufacturing of flake graphite needed for final assembly of TSC battery cells;
- (b) **Offtake** - The second is the negotiation of the offtake and related commercial arrangements that will govern the company's supply of flake graphite to TSC and the provision of downstream services. The parties have agreed that, for the purposes of the negotiations, they will adhere to the following principles:
 - The selling price shall not be less than the basket price as determined under the definitive feasibility study (**DFS**) currently being undertaken by Lycopodium Minerals;
 - Subject to the company's maximum deliverable production specified under the DFS, the offtake arrangement will be exclusive, that is, the company will be the exclusive supplier of TSC's global natural flake graphite requirements;
 - To the extent of the company's supply of natural flake graphite, the company shall be the exclusive provider of any advanced processing and manufacturing that may be required by TSC.
- (c) **TSC Commercialisation** - The company will support TSC in its various commercialisation activities including contributing to TSC's tender submissions and providing technical information and support to TSC and TSC systems installations.

The MOU will have an initial term of 6 months and can be extended by agreement. The MOU will be terminated, including within the 6 months initial term, if the parties enter into any binding agreement relating to the areas of collaboration outlined above.

The MOU is non-binding except to the extent of the provisions dealing with term and termination, confidentiality and collaboration procedures.

For further information contact:
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About The Sunlands Company Pty Ltd

Sunlands is the owner of certain proprietary thermal management and storage technologies that utilise high purity natural flake graphite as the critical material in its products including its thermal energy storage cells. These cells have a broad application and include the following key capabilities:

- (a) large scale systems for the storage of energy sourced from, (i) intermittent electricity generation such as renewables (i.e., solar PV, wind etc); or (ii) off peak electricity supply; or (iii) both, to deliver continuous dispatchable power;
- (b) edge of grid supply balancing and augmentation of existing electricity infrastructure especially in regional and rural Australia;
- (c) small and mid-scale systems for the storage of energy to deliver Ancillary Services to existing electricity networks such as the National Electricity Market in Eastern Australia and the South West Interconnected System in Western Australia; and
- (d) small scale and micro systems servicing energy distributors requiring greater control over the increasing export of energy from rooftop and community solar.

Quantum Graphite's Uley mine flake graphite concentrate is considered by Sunlands to offer superior geochemistry for its downstream processing and utilisation as the principal heat sink material for its technologies.

Bruno Ruggiero and Sal Catalano, current directors of Quantum Graphite Limited, have a controlling interest in Sunlands.

